

CALIFORNIA'S COORDINATED CARE INITIATIVE FOR MEDI-CAL BENEFICIARIES

DHCS Overview

The Department of Health Care Services is committed to improving care coordination for Medi-Cal beneficiaries. Currently, beneficiaries too often encounter fragmented services that result from multiple funding sources and uncoordinated delivery of medical, long-term care and behavioral health services. Beneficiaries with the greatest needs suffer most from this fragmentation. This coordinated care initiative aims to improve service delivery for all Medi-Cal beneficiaries, but particularly those who need coordination the most: the 1.1 million people with Medicare and Medi-Cal ("dual eligibles") and the 330,000 more Medi-Cal-only beneficiaries who rely on long-term supports and services, such as the In-Home Supportive Services program (IHSS).

Combining the full continuum of services beneficiaries need into a single benefit package, delivered through an organized managed care delivery system will promote accountability, create efficiencies, and improve care coordination. This initiative will enhance health outcomes and beneficiary satisfaction while achieving substantial savings from rebalancing service delivery away from institutional care and into the home and community. Additionally, the proposal will generate \$400 million in new revenue between 2012-2016 through the gross premium tax. The additional revenue and savings will help preserve IHSS and other essential services.

DHCS has developed a strategy to improve beneficiary-centered, coordinated care delivery over three years, starting in 2013. Specific steps include:

1. Improve care coordination by aligning financial incentives within organized care systems.

- Enroll beneficiaries into organized managed care systems that provide the full continuum of needed services, including long-term supports and services (LTSS), and behavioral health services.
- Integrate Medicare and Medi-Cal services and financing in coordinated care demonstration models available in up to 10 counties for 2013 and statewide by 2015.
- Create a single point of accountability for all services and enhance individualized care management systems.

2. *Maximize ability of people to live at home by enhancing home- and community-based services.*

- Drive enhanced use of IHSS and other LTSS in lieu of institutional care by transitioning them into a managed care benefit.
- Create a framework for self-directed care systems that help empower beneficiaries.
- Develop, with stakeholder input, a standardized LTSS assessment process.

3. *Implement strong beneficiary protections.*

- Engage stakeholders throughout the development and implementation of the new initiative on key issues, such as grievances and appeals.
- Provide beneficiaries timely, accessible and understandable information about their choices.
- Ensure managed care plans comply with rigorous rules around issues, such as network adequacy, access to appropriate services, and provision of seamless, high quality services.
- Ongoing oversight and monitoring of the process, including regular updates to the Legislature.